

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0700-0469

Case Title:

Jacam Chemicals LLC

Reporting Office:

Kansas City, KS, Area Office

Subject of Report:

Report of the Kansas Corporation Commission Class 2 Injection Well
Permit and Enforcement File

Activity Date:

April 3, 2013

Reporting Official and Date:

(b) (6), (b) (7)(C)

Special Agent

10-APR-2013, Signed by: (b) (6), (b) (6),

Approving Official and Date:

(b) (6), (b) (7)(C)

Special Agent in Charge

16-APR-2013, Approved by: (b) (6), (b) (6), (b) (6)

SYNOPSIS

SA (b) (6), (b) (7)(C) obtained the Kansas Corporation Commission permit and enforcement file for a class 2 injection well operated by RJ Operating. The permits indicates that the injection well may accept up to 6,000 barrels of salt water per day for disposal.

DETAILS

On April 3, 2013, SA (b) (6), (b) (7)(C) obtained the permitting and enforcement file for Class 2 injection well at SW NW SE Sec 24, T 20 S, R 6, W from (b) (6), (b) (7)(C) of the Kansas Corporation Commission. (b) (6), (b) (7)(C) is the supervisor of the Underground Injection Well.

On April 10th, 2013, SA (b) (6), (b) (7)(C) reviewed the Kansas Corporation Commission (KCC) Permitting and Enforcement Files for the Class 2 underground injection well.

An application to permit the injection well was received by the KCC on July 27, 1984. The application indicated that the well was to be used for salt water disposal purposes. The operator was Kansas Horizon Oil Incorporated and the lease name was Rockville Partners. The well was drilled into the Arbuckle Formation and reached a depth of 4033 feet. The injection rate was limited to 6000 barrels per day at a maximum pressure of 180 pounds per square inch.

On August 20, 1984, Kansas Department of Health and Environment sent a letter to the KCC in which it recommended that KCC issue a salt water disposal permit to Kansas Horizon Oil for a disposal well at the Matlock Lease located in the N/2 S/2 NW SE/4 of Sec. 24-20S-6W. The letter indicated that the salt water is to be introduced into the Arbuckle Formation.

On September 5, 1984, KCC sent Kansas Horizon Oil a letter in which it indicated an order was filed with the KCC to permit the well for the disposal of salt water under docket number D-23, 336. The letter indicated that the disposal authority for the well may not be transferred without written consent from the KCC.

On August 30, 1984, KCC held a hearing in which it approved the salt water disposal well and issued license number 6522. The well was permitted to accept salt water which was to be injected into the Arbuckle Formation approximately 4034 feet below the surface. The document contained a list of leases approved to dispose of salt water into the well. The permit allows the disposal from any wells on or that may be drilled on the above described leases and that the disposal rate should not exceed 6000 barrels per day.

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On January 21, 1987, KCC received a letter from Kansas Horizon Oil Incorporated in which it submitted an application to amend the salt water disposal order on Matlock #2 to include additional leases which supply salt water to the disposal well. On January 23, 1987, the KCC amended the permit to include the additional sources of salt water. On April 8, 1987, KCC sent Horizon Oil Incorporated a letter which contained the order to amend the docket #D-23,336. The amendment was signed by the KCC on March 17th, 1987.

On April 10, 1987, KCC received a letter from Kansas Horizon Oil Incorporated in which it submitted an application to amend the salt water disposal order on Matlock #2 to include additional leases which supply salt water to the disposal well. On June 30, 1987, the KCC amended the permit to include the additional sources of salt water. On June 24, 1987, KCC sent Horizon Oil Incorporated a letter which contained the order to amend the docket #D-23,336. The amendment was signed by the KCC on June 24, 1987.

On November 20, 1989, KCC received a casing mechanical integrity test from Kansas Horizon Oil. The well passed the test.

On May 28, 1991, KCC sent a letter to USEPA Region 7 which addressed the illegal disposal of waste by Koch Hydrocarbon into the injection well (D-23336). The waste which was being put into the well was determined to be non-hazardous by the Kansas Department of Health and Environment. KCC indicated that it was not going to seek a penalty for the violation.

On March 13, 1992, KCC received the annual injection report for the well. This report indicated for the year of 1991, the well accepted 876,000 barrels of salt water and it added leases to the sources of salt water it could receive.

On February 1, 1993, KCC sent a memorandum to the KCC District #2 Office reference Kansas Horizon Oil Incorporated. The letter ordered that all Kansas Horizon Oil Incorporated wells be shut down because it failed to pay a penalty of \$1,000. The penalty was paid on February 25, 1993.

On September 18, 1995, KCC received a Transfer of Injection Authorization. The effective date of transfer was January 1, 1995. The authorization was transferred from Horizon Oil Incorporated #6522 to (b) (6), (b) (7)(C) #31534. (b) (6), (b) (7)(C) was listed as the authorized operator for well #D23336.

On June 2, 1995, KCC received a casing mechanical integrity test from (b) (6), (b) (7)(C) for the well and it passed the test.

On June 2, 1995, KCC sent a letter to (b) (6), (b) (7)(C) in which it stated that the KCC records do not reflect her as the current owner and requested that she submit a request for change of operator form. On August 15, 1995, KCC sent a second notice to Ms. (b) (6), (b) (7)(C) in which it requested that she submit the request for change of operator form.

After December 4, 1997, KCC received a Transfer of Injection Authorization. The effective date of transfer was April 1, 1997. The authorization was transferred from (b) (6), (b) (7)(C) #31534 to RJ Operating #30979. RJ Operating was listed as the authorized operator for well #D23336. (b) (6), (b) (7)(C) was listed as the owner of RJ Operating.

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On March 23, 1999, KCC received the annual injection report for the well. This report indicated for the year of 1998, the well accepted 596,775 barrels of salt water and it added leases to the sources of salt water it could receive.

On December 12, 2000; March 1, 2006; and April 5, 2011 KCC received a casing mechanical integrity tests from RJ Operating for the well and it passed each test.

On January 25, 2013, KCC sent RJ Operating a Notice of Violation in which it indicated that RJ Operating failed to submit an annual inject report for the well in 2011.

On February 11, 2013, KCC received the annual injection report for the well. This report indicated for the year of 2012, the well accepted 510,036 barrels of salt water.

Attached to this report is the KCC permitting and enforcement file for this well.

ATTACHMENT

KCC Permit and Enforcement file